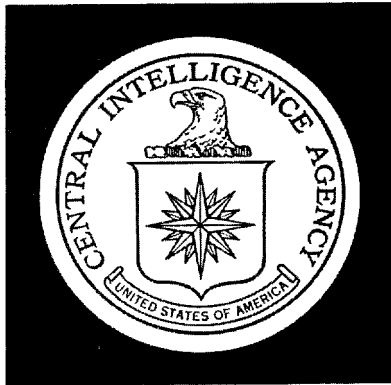


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DIRECTORATE OF
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Weekly Report

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1. NIGERIA

The confrontation between Nigeria's federal government and the nearly autonomous Eastern Region has moved into a phase of economic skirmishing which both sides seem prepared to continue for some time. There are, however, new indications that Eastern Governor Ojukwu is planning ultimate independence for his region and may be bent on provoking Lt. Col. Gowon, the federal government head, into taking some action which could be used as a plausible pretext for Eastern secession.

On 31 March Ojukwu issued his long-threatened edict announcing that the East would take control of all revenues collected in that region beginning on 7 April. He did not, however, include the important oil revenues, which are paid to the federal account in London. Ojukwu has until July--when the next oil royalty payments are due--to move in on the oil companies. In addition, Eastern media have urged all Ibos still outside the region to return home, and have otherwise stepped up the output of inflammatory material, much of it false, in an apparent effort to provoke unease and disorder elsewhere in Nigeria.

Gowon has banned all air flights to the East, thereby increasing the region's isolation, and is threatening to order the payment of port dues, now collected in the East, switched to Lagos. Two of the other three regional governors are cool to any direct economic sanctions, however, and have opposed the use of force. [REDACTED]

[REDACTED] a calculated invasion of the East is a bad risk because of the poor discipline and training of federal forces and a considerable military build-up in the East. Any sudden decision by Northern military hotheads to invade the East has been made easier, however, by the recent addition of several hundred men and armored personnel carriers to the forces along the Northern-Eastern border.

Ghana's Gen. Ankrah still hopes to get Gowon and Ojukwu together again in another week or two. Neither of Nigeria's feuding leaders, however, seems particularly eager to meet or negotiate.

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2. DENMARK

Prime Minister Krag's moves in recent weeks toward closer cooperation between his governing Social Democrats and the Socialist People's Party (SPP)--a "national" Communist Party--could have a detrimental effect on Denmark's commitments to NATO.

Krag recently announced a parliamentary "cooperation agreement" by which the two parties agreed to coordinate their domestic policies in order to ensure passage of a legislative program. This has the practical effect of adding the SPP's 20 votes to the Social Democrats' 69, thus giving the two parties a majority in the 175-seat parliament.

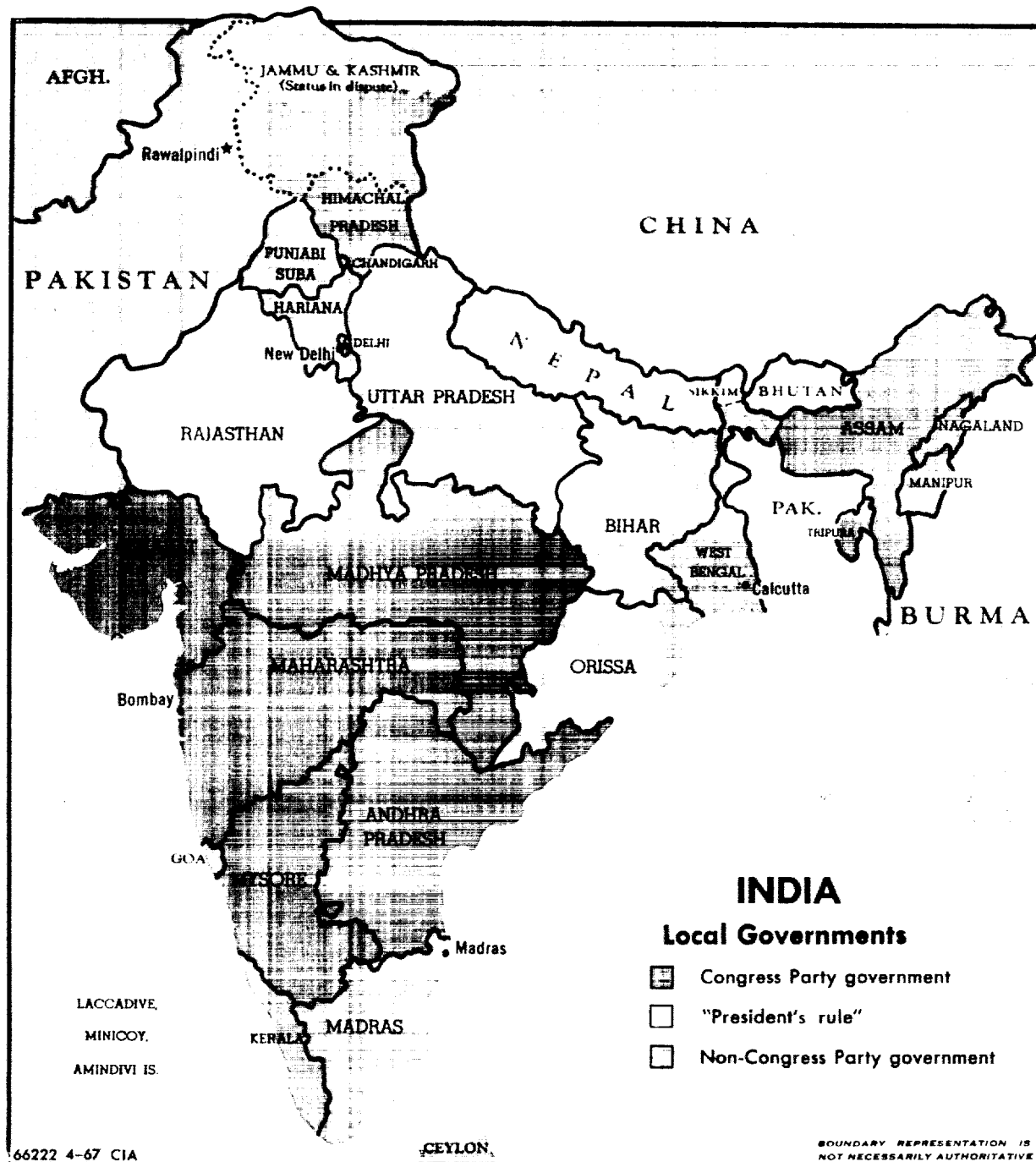
Despite Krag's efforts to minimize the significance of the collaboration, the non-Socialist opposition maintains that it is a coalition agreement in disguise and a prelude to the SPP's participation in the government. The SPP's hostility to Denmark's membership in NATO and Denmark's possible accession to the EEC, as well as the party's demand for unilateral disarmament, has thus far barred such participation. Krag has insisted that the question of Denmark's membership in NATO can never be the subject of negotiation with the SPP. His critics note, however, that the sudden opening to the left comes in the wake of repeated public promises that he would never turn to the SPP for parliamentary support.

Most observers concede that Krag is trying to outmaneuver the SPP in an effort to halt the continuing decline in the Social Democrats' political fortunes. He appears to be moving his party further to the left in order to neutralize the appeal of the SPP. Whether Krag can do this without weakening Denmark's commitments to NATO remains to be seen.

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3. INDIA

India is beset with continuing political instability at the state level in the wake of the February general elections. Most of the difficulties have involved local Congress Party governments, but several of the heterogeneous new non-Communist coalitions may yet face similar problems.

Two Congress state governments and one union territory regime have fallen as a result of defections to the opposition. Loss of control of Uttar Pradesh--the most populous Indian state (about 85 million people) and once the major stronghold of Congress political power--is the most serious of these setbacks for the party.

Congress now has majorities in only seven of the 17 state assemblies, and non-Congress governments are in power in some of the most heavily populated and productive areas of the country (see map). The future of at least three more state Congress governments could be threatened by factionalism. Rajasthan, which was placed under direct rule from New Delhi when neither Congress nor the opposition could create a clear-cut majority, may yet emerge with a non-Congress government.

Several of the new non-Congress state governments also are faced with potential instability. Only the Communist-dominated regime in Kerala, the regionalist government of Madras, and the conservative Swatantra-led coalition of Orissa have fairly good prospects of hanging together.

The spate of defections from Congress state organizations has spurred speculation that the party's slim majority in the national Parliament may soon evaporate. So far, however, the Congress parliamentary delegation has shown no signs of falling apart, although the splintered opposition has been able to embarrass the government. In any event, state political instabilities will be a continuing feature on the Indian scene. Increasingly serious economic problems will also tend further to create discontent, which may be directed at the national government.

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